

Chafee	Gregg	Nelson (NE)
Clinton	Hagel	Nickles
Cochran	Hatch	Pryor
Coleman	Hutchison	Roberts
Collins	Inhofe	Rockefeller
Conrad	Kyl	Santorum
Cornyn	Landrieu	Schumer
Daschle	Leahy	Sessions
DeWine	Levin	Smith
Domenici	Lincoln	Snowe
Durbin	Lott	Stabenow
Ensign	Lugar	Stevens
Enzi	McCain	Sununu
Fitzgerald	McConnell	Talent
Frist	Murkowski	Thomas
Graham (FL)	Murray	Voinovich
Grassley	Nelson (FL)	Warner

NAYS—32

Akaka	Dorgan	Kohl
Biden	Edwards	Lautenberg
Boxer	Feingold	Mikulski
Byrd	Feinstein	Miller
Chambliss	Graham (SC)	Reed
Corzine	Harkin	Reid
Craig	Hollings	Sarbanes
Crapo	Inouye	Shelby
Dayton	Jeffords	Specter
Dodd	Johnson	Wyden
Dole	Kennedy	

NOT VOTING—2

Kerry	Lieberman
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The bill (H.R. 2739) was passed.

UNITED STATES-SINGAPORE FREE TRADE AGREEMENT IMPLEMENTATION ACT AND THE UNITED STATES-CHILE FREE TRADE AGREEMENT IMPLEMENTATION ACT

Mr. BREAUX. Mr. President, I strongly support the Singapore and Chile Free Trade Agreements and believe they will promote domestic growth in manufacturing and exports. I look forward to seeing these agreements enacted into law. However, I am concerned about the current U.S. negotiating objective of restricting, limiting or otherwise eliminating drawback and duty deferral rights for U.S. manufacturers and exporters in free trade agreements, FTA. The administration's current policy places U.S. companies at a significant competitive disadvantage in the global market.

Free trade agreements should include no language that eliminates or otherwise restricts the application of duty drawback and duty deferral programs to U.S. manufacturers and exporters. The language in the United States-Singapore and United States-Israel FTAs, for example, have no such restrictive language and we should model future agreements after these FTAs. This issue is of significant importance to many U.S. manufacturers and exporters, including those in my home state of Louisiana.

Duty drawback and duty deferral programs reduce production and operating costs by allowing our manufacturers and exporters to recover duties that were paid on imported materials when the same or similar materials are exported either whole or as a component part of a finished product. Duty drawback positively affects nearly \$16 billion of U.S. exports each year. Additionally, nearly 300,000 U.S. jobs are directly related to exported goods that benefit from drawback, and these high

quality jobs could be adversely affected by eliminating or restricting drawback. In my own home state of Louisiana, drawback and duty deferral programs provide substantial benefits to local industries, allowing them to compete on a level playing field in the global market.

Drawback makes a significant difference to U.S. companies at the margin when exporting to our FTA partners where they compete against foreign producers that either have substantially lower costs of production or enjoy low or zero import duty rates. This export promotion program is one of the last WTO-sanctioned programs which provides a substantial advantage to U.S. companies participating in the export market. The application of these programs to U.S. manufactures and exporters should not be restricted in future free trade agreements that we negotiate with our trading partners.

We need to work hard to complete free trade agreements that provide as many competitive advantages as we can to U.S. manufacturers competing in the global market, encourage growth in U.S. exports, and create U.S. jobs.

Mr. KOHL. Mr. President, I rise today to explain my opposition to the Chile and Singapore Free Trade Agreements. As a former businessman, I understand that trade has always been an important part of our economy. American workers are so productive that access to foreign markets is key to their prosperity. Last year alone the State of Wisconsin exported \$10.6 billion worth of goods around the world. Unfortunately, because the Administration chose to abuse the fast track process and include unrelated immigration issues in these agreements, I was not able to support these agreements.

My opposition to these agreements is not based on the tariff reductions and market access measures included in the bills. Agreements between the U.S. and these countries make good economic sense. Canada and Europe already have free trade agreements with Chile and it has hurt our access to that market. While U.S. products face a 10 percent tariff, the same products from other countries do not. In Wisconsin we sell large mining equipment and bulldozers to Chile, but since 2000 our sales of mining equipment has tailed off. There may be many reasons for this reduction in commerce, but the fact that we face a 10 percent tariff, while our competitors from Europe do not, is not helping. This agreement will go far toward giving U.S. companies a fair and even playing field.

That said, our trade policy with other countries has been far from an unqualified success. Since 2000 Wisconsin has lost 70,000 manufacturing jobs. Almost one out of every eight jobs in the state in manufacturing has disappeared. Some of this job loss is a result of the recession. Some of these jobs have been moved to Mexico, and some of these have been unable to com-

pete with low wages in China. Most damaging, however, may be the currency manipulation of the Chinese Government. Some experts believe the Chinese may be artificially keeping their currency undervalued by as much as 50 percent. This means products from China are 50 percent cheaper than they would normally be. This is on top of low wages and almost no environmental regulations, which also work to depress prices.

Trade can only work when countries obey the rules and follow the law. I supported bringing China into the WTO because that would make it harder for them to cheat on their agreements. However, this administration has proven unwilling to press this currency issue with the Chinese. They have allowed the problem to fester unchecked, and our manufacturing base is paying the price.

The agreements before us now, however, are not with countries that have a history of avoiding their commitments, or that do not enforce their labor laws, or with countries that are ruled by dictatorships. Singapore and Chile are responsible democracies with solid labor laws and labor unions. In the case of Singapore, the wage rates are comparable, although not the same, as the United States. Chile and Singapore have little in common with China, and should not be painted with the same broad brush. These countries also represent a significantly smaller portion of our foreign trade. Singapore represents 1.7 percent, and Chile represents 0.3 percent of total U.S. Trade, exports and imports combined and opening our market to them will have much less impact on our economy than our opening to China.

Many have criticized these agreements because the labor provisions attached to the agreement are not strong enough. A recent United States-Jordan Free Trade Agreement had much stronger labor provisions than the agreements before us now. That agreement had real accountability and real consequences if Jordan failed to keep up its side of the bargain. The administration argues that Chile and Singapore have responsible laws that are adequately enforced, and so do not need the highly prescriptive language that was included in the Jordan agreement. I agree with their arguments.

Let me be clear about the following. While these labor provisions may be adequate for Chile and Singapore, countries with good records, they should not be used as a model for future multilateral agreements in the region. The Free Trade Area of the Americas, and the Central American Free Trade Agreement will need substantially stricter labor and environmental provisions than these to get my vote. Large multilateral agreements with countries that are only fledgling democracies and have poor records of protecting workers cannot be treated in the same manner as Chile and Singapore.

Even though these agreements had problems and were not perfect, I was inclined to support them because I generally vote to support free trade. I felt these countries would be good partners and these agreements would be unlikely to have any significant negative impact on our economy. But the administration pushed the envelope of fast track too far when immigration provisions were included in the implementing legislation.

Both trade agreements contain provisions which create a new visa category for the temporary entry of business professionals. These provisions were negotiated as part of the larger trade agreement by the United States Trade Representative, USTR, which has no specific authority to implement new visa categories or make modifications to our temporary entry system. Further, these provisions were negotiated without the direction of Congress, which has traditionally debated and decided upon our Nation's immigration policy. These actions by the USTR set a dangerous precedent for immigration policy to be negotiated behind closed doors without a complete debate. Both our Nation's security and its diversity depend on well-considered immigration policy.

Second, the administration transmitted the implementing language for these trade agreements to the Senate before responding to concerns expressed at a Judiciary Committee hearing. This language is unamendable once transmitted, so it is critical that Congress be consulted fully on implementing language before transmission. Immigration policy lies squarely in the jurisdiction of the Judiciary Committee; for the administration to finalize immigration language before the Judiciary Committee has had a chance to analyze a draft and improve the language is an unacceptable way to do business.

These agreements I have decided to oppose will undoubtedly pass. Chile and Singapore have shown they are willing to play by the rules, and have democracies who will hold them accountable if they undermine their own labor and environmental laws. I expect there will be disputes in the future, there always are between partners, but Chile and Singapore will work with us to settle those disagreements when they come around. However, future agreements with countries with lower standards will have to do more to secure labor and environmental rights before I will support them. We need to move back toward the United States-Jordan model, back toward more accountability in trade agreements before this administration can expect my vote in favor of FTAA or CAFTA.

This undermining of the fast-track procedure, however, cannot be repeated. I voted for fast track, and support it as a way to give the President the ability to negotiate with other countries in good faith, but it should not be used for issues that are not

trade related. Future agreements that carry unrelated provisions will not get my vote. I hope the administration hears this message and gets back to the business of focusing on our trade agenda, and leaving the immigration issues to the Congress where they belong.

Mr. VOINOVICH. Mr. President, I rise in strong support of S. Res. 211. I join my colleagues to speak out against the administration using these trade agreements to implement immigration policy without the authority or direction to do so from Congress. It is the function of the Congress to set policy on the immigration laws of this country, and in this case, the USTR overstepped its bounds. This resolution sends a message to the administration that the USTR has overreached its negotiative authority by including immigration provisions in the FTA, and in the future, they must consult with Congress before implementing new policy, and I strongly support it.

I am a strong free-trader whose State has benefited from free-trade agreements. I do have some concerns, however, about the enforcement of trade laws and I have expressed those concerns to the administration. Free trade must also be fair and I will continue to pay close attention to our trade agreements and their enforcement to make sure that American workers are not hurt by unfair trade.

Mr. CORZINE. Mr. President, I will vote against the free-trade agreements, and I want to take a few minutes to explain why.

Having spent many years in the financial world, I understand the tremendous value of trade to America and to nations around the world. Free and open trade can enhance prosperity, create jobs, and increase opportunity. That is why I supported the North American Free Trade Agreement before I came to the Senate. And it is why I supported the free-trade agreement with Jordan. Measures like these held the promise of greater economic growth to the benefit of citizens in all countries involved and represented a growing movement toward freer trade around the globe.

Yet in recent years, we have seen a serious deterioration of the trade situation here in the United States, and our Nation's trade deficit has grown dramatically. The current account deficit in the first quarter of this year increased to more than \$136 billion, and many project that it will surpass \$500 billion this year. That means that every day, we are being forced to borrow nearly \$2 billion because of our trade imbalance. That is a serious problem, and it is simply unsustainable. Something is not right with our ability to export American goods and services, but particularly manufactured products.

Beyond the enormity of the trade deficit, American businesses increasingly are shipping jobs overseas. Not just low-skilled jobs, but professional,

highly skilled and well paid jobs. That is one reason the so-called economic recovery touted by the Bush administration has widely been characterized as a jobless recovery. In fact, it is worse than a jobless recovery, it is a job-killing recovery. And while workers in this country are losing jobs, our trade policy is helping to create jobs overseas. Today, many American firms are outsourcing high-technology jobs to low-wage environments to the detriment of American workers.

Sadly, this troubling trend has not received enough attention here in Washington. It is a matter affecting millions of Americans who are looking for work—well-paying, upwardly mobile work. And, I believe, it requires a serious rethinking of our Nation's whole approach to trade.

Unfortunately, the trade agreements considered last night failed to address this problem, and I have many concerns about them.

For example, I am quite concerned about provisions in the agreements that effectively overturn U.S. immigration laws and allow thousands of foreigners to enter our country to take what will often be highly paid positions. These people will take jobs away from Americans who want them and need them. And it is especially disturbing that such a significant change in immigration laws is being included in a trade agreement. As I see it, immigration is the type of matter that deserves close attention here in the Congress, with a full opportunity for debate. It is not something that should be rammed through without any meaningful opportunity for amendment or public input.

I also am concerned about the inadequacy of the labor protections, included in these agreements.

Mr. President, I supported the Jordan Free Trade Agreement in part because it recognized the importance of protecting worker rights. That agreement ensured that both nations adhere to internationally recognized worker protection standards, and that worker rights could be enforced. It also ensured that labor standards were subject to the same procedural protections as the other provisions of the agreement. The Chilean and Singapore agreements fail to meet that standard.

To the contrary, the labor protections in these agreements are not only much more narrowly defined—essentially dependent on the laws of the respective countries—but enforcement of those protections is much more limited, as well. For example, not all violations of labor laws could be enforced through the agreements—only those that are “sustained.” Also, there are strict limits on the amount of fines and sanctions that are authorized in the case of labor violations, unlike violations of other provisions in the agreement. This disparity in the treatment of labor and commercial violations, in my view is wrong.

Mr. President, I am concerned that the labor provisions in these agreements, and other similar provisions relating to environmental protection, will serve as a template for other trade agreements already under discussion. As I see it, the Administration would be making a serious mistake if it uses these provisions as a model for future agreements. I hope that will not happen.

Mr. President, the types of commercial, labor and environmental issues addressed in these agreements are critical to the future of our nation, our economy, and millions of American workers. Yet, again, we are debating these agreements under expedited procedures that allow for every little debate and no amendments. In effect, while jobs continue to be sent abroad and millions struggle unsuccessfully to find work, the American people are being shut out of the process. In my view, that is not the right way to conduct the people's business.

Mr. President, I recognize that these agreements have, in fact been approved. But I would urge my colleagues, before we continue along the same theme path as we develop other similar agreements, let us take a step back and rethink our nation's whole approach to trade. Something is seriously wrong when America is hemorrhaging dollars and hemorrhaging jobs. We need to change course. And continuing blindly with a failed approach would be a dereliction of our responsibility to protect America's economy and America's workers.

I look forward to working with all of my colleagues to address these issues in the months and years ahead.

UNITED STATES-CHILE FREE TRADE AGREEMENT IMPLEMENTATION ACT

The PRESIDING OFFICER. Under the previous order, the clerk will report H.R. 2738, an act to implement the United States-Chile Free Trade Agreement.

The legislative clerk read as follows:

A bill (H.R. 2738) to implement the United States-Chile Free Trade Agreement.

The PRESIDING OFFICER. The clerk will read the bill for the third time.

The bill (H.R. 2738) was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MCCONNELL. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KERRY) and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

The result was announced—yeas 66, nays 31, as follows:

[Rollcall No. 319 Leg.]

YEAS—66

Alexander	Daschle	McCain
Allard	DeWine	McConnell
Allen	Dole	Mikulski
Baucus	Durbin	Miller
Bayh	Ensign	Murray
Bennett	Enzi	Nelson (FL)
Bingaman	Fitzgerald	Nelson (NE)
Bond	Frist	Nickles
Breaux	Graham (FL)	Pryor
Brownback	Grassley	Roberts
Bunning	Gregg	Santorum
Burns	Hagel	Schumer
Campbell	Hatch	Sessions
Cantwell	Hutchison	Smith (OR)
Carper	Inhofe	Snowe
Chafee	Kyl	Specter
Clinton	Landrieu	Stabenow
Cochran	Leahy	Sununu
Coleman	Levin	Talent
Collins	Lincoln	Thomas
Conrad	Lott	Voinovich
Cornyn	Lugar	Warner

NAYS—31

Akaka	Edwards	Lautenberg
Biden	Feingold	Murkowski
Boxer	Feinstein	Reed (RI)
Byrd	Graham (SC)	Reid (NV)
Chambliss	Harkin	Rockefeller
Corzine	Hollings	Sarbanes
Craig	Inouye	Shelby
Crapo	Jeffords	Stevens
Dayton	Johnson	Wyden
Dodd	Kennedy	
Dorgan	Kohl	

NOT VOTING—3

Domenici	Kerry	Lieberman
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The bill (H.R. 2738) was passed.

Mr. STEVENS. I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRASSLEY. Mr. President, today the Senate passed the United States-Chile and the United States-Singapore Free Trade Agreement Implementation Acts. This is the first time in our history that the Senate has approved two free trade agreements in a single day. The fact that we were able to achieve this goal is a testament not only to the high quality of these agreements, but also to the power of Trade Promotion Authority.

It was almost a year ago today that the House and Senate gave final approval to the conference report for the Trade Act of 2002. This historic piece of legislation empowered the President, for the first time in almost a decade, to negotiate free trade agreements utilizing Trade Promotion Authority procedures. Today, with the passage of these two agreements, we are using TPA to take some of our first steps toward re-engaging the world through international trade. It is a welcome development.

International trade has long been one of the most important foreign policy and economic tools in our Nation's arsenal. It was a key component of our post-World War II international economic strategy. For over 50 years international trade contributed to stability and economic growth throughout the world. It helped to lift the nations of Europe and Asia out of the ashes of World War II. And it helped America experience unprecedented prosperity here at home.

International trade can play a similar role at the beginning of the twenty-first century. That is part of what Trade Promotion Authority is all about. Trade Promotion Authority represents a partnership between the executive and legislative branches of government. It provides the President with Congressional support so he can negotiate the best trade agreements for America's workers. It provides certainty to our trading partners that any agreement reached will get timely consideration and will not be ripped apart by the U.S. Congress. In exchange for the authority to negotiate, Congress requires intense consultation and notification procedures. It provides a legislative check on the President's ability to negotiate. And it provides greater certainty to Congress that its intent is being followed. The success of these procedures can be seen by the strong support these two agreements enjoy today.

With our votes today we are locking in two strong trade agreements with our two strongest international trade allies, Chile and Singapore. With the passage of these agreements, we send a strong message to the world that the United States is back in the game.

These bills would not have been possible without the able assistance of many people. First, I want to acknowledge the leadership of President George W. Bush and our United States Trade Representative, Ambassador Robert Zoellick. Their stalwart commitment to expanding export opportunities for America's farmers and workers was a major factor in passing Trade Promotion Authority last year and in concluding these two agreements.

I would also like to take a moment to thank some of those individuals in the Senate who helped to make this historic day possible. First, I want to thank my colleagues on the Finance Committee, especially the Ranking Member, Mr. BAUCUS. Working together, we demonstrated that international trade is not a Republican or a Democratic issue, but rather an issue that works for all Americans.

Next, I would like to thank my Finance Committee staff who has worked hard over the summer to get the implementing bills drafted and the materials ready so that we could consider these agreements before the August recess. It was no easy task, and I appreciate their hard work and dedication.

First and foremost, I want to thank my Chief Counsel and Staff Director, Kolan Davis, whose ability to manage multiple legislative priorities is a key factor to the success of the Finance Committee's work. I also would like to thank my Chief International Trade Counsel, Everett Eissenstat, who successfully coordinated the efforts of the Finance Committee trade staff to enable us to move this legislation quickly. I also want to recognize the rest of my trade team, Carrie Clark, Zach Paulsen, David Johanson, Nova Daly, Stephen Schaefer and Cathy